August 13, 2002

Bruce Hall 5570 Hollow Road Nibley, UT 84321

Dear Mr. Hall:

Our office has received a formal complaint regarding your diversion and use of water from the Blacksmith Fork River. In a letter dated July 23, 2002, Todd N. Hallock an attorney representing the Nibley Blacksmith Fork Irrigation Company, the Hyrum Blacksmith Fork Irrigation Company, the Providence Blacksmith Fork Irrigation Company and the Millville Irrigation Company requested the State Engineer take action in the matter.

The diversion and use of water as well as the altering of natural stream are governed by state laws administered in by the State Engineer. According to our records, there is no legal point of diversion nor stream alteration permit for your diversion structure and the material recently placed in the river.

You are, therefore, ordered to cease diverting and using water from the Blacksmith Fork River. You must also submit a Stream Channel Alteration permit application for the work done in the river. If you have any questions or comments regarding the issue, you may contact either Lee Sim, at (801) 538-7890 or Bob Fotheringham at (435) 752-8755.

Sincerely,

Jerry D. Olds, P.E. State Engineer

cc: Lee Sim

Bob Fotheringham

Todd N. Hallock, Attorney